GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1398
ANSWERED ON:30.11.2006
SUBJECT: GAIL-HPCL JOINT VENTURE FOR CITY GAS PROJECTS
Acharia Shri Basudeb

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether GAIL (India) Ltd. and HPCL have planned to float joint ventures for city gas projects in Gujarat and Rajasthan as appeared in Business Line on October 13, 2006;

(b) if so, the details thereof; and

(c) the action taken/proposed to be taken in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a): Yes, Sir. GAIL and HPCL have planned to float Joint Ventures for city gas projects in the states of Gujarat and Rajasthan.

(b): GAIL and HPCL have signed an MoU on 16.11.2005 for formation of Joint Venture Companies to implement City Gas Distribution Projects in the cities of Rajasthan and Gujarat, along the model of M/s Indraprastha Gas Limited (IGL). For Rajasthan, GAIL has prepared the Detailed Feasibility Report for the city of Kota.

In Gujarat, GAIL is supplying CNG in Vadodara and HPCL is supplying CNG in Ahmedabad, Further, GAIL has carried out the Market Survey and Demand Study in the cities of Rajkot and Surendranagar.

The downstream project implementation activities shall be taken up by the respective Joint Venture Companies, subject to gas availability and economic viability of the projects.

(c): Action for incorporation of the Joint Venture Companies shall be taken after signing the Joint Venture Agreements.